

PUBLIC HEARING  
STATE OF CALIFORNIA  
STATE LANDS COMMISSION

IN THE MATTER OF  
PRC 421 RECOMMISSIONING PROJECT  
DRAFT ENVIRONMENTAL IMPACT REPORT

GOLETA VALLEY COMMUNITY CENTER  
5679 HOLLISTER AVENUE  
GOLETA, CALIFORNIA

TUESDAY, OCTOBER 16, 2007

6:00 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

STAFF

Mr. Erick Gillies, Project Manager, California State Lands  
Commission

ALSO PRESENT

Mr. Daniel Gira, Program Manager, Pacific Coast  
Environmental

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## PROCEEDINGS

1  
2 MR. GILLIES: We'll start the six o'clock session  
3 for the PRC 421 Recommissioning Project, Draft EIR,  
4 Environmental Impact Report. California State Lands  
5 Commission is the lead agency for the Environmental  
6 Quality Act. We have contracted AMEC Earth &  
7 Environmental to prepare the document. And we'll do an  
8 abbreviated presentation for Michael, who's representing  
9 G.O.O., Get Oil Out. And then after his presentation I'll  
10 open it up if you have any questions be, and then public  
11 testimony. So, Dan.

12 MR. GIRA: Thanks, Eric.

13 I just want to go very quickly over things.

14 PRC 421 has been in production since 1928. It's  
15 had a long history of repairs to the existing facilities,  
16 which are in some cases original facilities. The project  
17 consists of both existing components in the Ellwood oil  
18 area and the Ellwood area for oil production, EMT, Ellwood  
19 Marine Terminal, existing oil lines, et cetera, and then  
20 there would be new improvements to an upgrade to existing  
21 facilities as well as some new minor facilities as part of  
22 the project. Today we're here to really receive public  
23 comment on the adequacy of the EIR.

24 The Ellwood area that the project is located in  
25 has a number of active oil facilities as well as

1 environmentally-sensitive areas, such as the Devereaux  
2 Slough located on the right side and Bell Canyon Creek  
3 located in the center. Construction for the proposed  
4 project would require a lot of improvement to existing  
5 facilities, particularly the caissons of some of the  
6 existing platforms, some new improvement to flow lines to  
7 deliver oil to existing pipelines, as well as electrical  
8 cables, et cetera. The diagram here just shows the  
9 project layout, the two platforms, the access road and the  
10 proposed improvements along that access road, which  
11 include submerged electric cables as well as two new flow  
12 lines for water and oil. You can see here a diagram of  
13 the road that shows where the pipeline is located within  
14 the road and the new proposed electric cables.

15         The project could basically produce up to 700  
16 barrels a day its first year declining to 100 barrels per  
17 day by year 12. The project may produce for 12 years or  
18 longer, it really depends on economics, but the current  
19 horizon is predicted to be 12 years. Oil would initially  
20 be transported by barge up to -- from 2008 to 2013, and  
21 after 2013 or perhaps as late as 2015 by pipeline or  
22 tanker truck.

23         This is an overview of the Ellwood area showing  
24 the whole totality of oil facilities in the area or at  
25 least the major ones, as well as environmentally-sensitive

1 areas like the Ellwood Mesa located in the center of the  
2 slide, the Devereaux Slough, at the very eastern end, and  
3 you can see some of the other creek mouths in the area.

4           The caisson at 421-1 has been recently improved  
5 while that at 421-2 has not been subject to major  
6 improvements aside from the pier. The project will rely  
7 on barge transport both either to San Francisco area or  
8 down to Long Beach. A number of regulatory approvals will  
9 be required, particularly starting with the California  
10 State Lands Commission, then the City of Goleta and a  
11 number of other agencies.

12           Safety is a big issue. Safety relates primarily  
13 to the potential for oil spills and things like wellhead  
14 blowouts, damaged offshore separation equipment, pipeline  
15 leaks, caisson collapse, et cetera, or tanker loading and  
16 operation spills. Mitigations include  
17 construction-related improvements to existing facilities,  
18 plans to respond to oil spills and plans to respond to  
19 improved tankering operation, maintenance, et cetera,  
20 facility maintenance.

21           Air quality emissions are significant, primarily  
22 related to tug and barge operation. Mitigations include  
23 operational changes to the vessels as well as improved  
24 emission control. The EIR also contains a discussion of  
25 global climate change related to the use of fossil fuels.

1           Hydrology and water quality, again, largely  
2 related to oil spill issues, particularly on the marine  
3 environment or on some of the environmentally-sensitive  
4 creeks and sloughs in the area. Mitigation planning and  
5 spill prevention, pollution plans are critical to this  
6 issue.

7           Marine biology, the same really; the main impacts  
8 are related to oil spill impacts, there's some  
9 construction related issues too. Could impact commercial  
10 fishing. Marine mammals could be impacted by both  
11 collisions and spills, and again, plans for spill  
12 remediation and containment as well as marine mammal  
13 monitors, that would be important.

14           Terrestrial biology relates largely to wetland  
15 impacts from oil spills as well as impacts to sensitive  
16 species such as the Snowy Plover.

17           A unique issue, I thin, in the EIR is trying to  
18 bring local land managers up to speed to respond to  
19 spills, such as the manager of the Coal Point Reserve.

20           Land use impacts related to a lot of potential or  
21 some potential conflicts with Goleta general plan related  
22 to offshore oil and the use of existing oil facilities.

23           The EIR also looks at secondary issues such as  
24 aesthetics, transportation, geology, hazardous materials,  
25 cultural resources and public services. It examines a

1 range of alternatives, ranging from the No Project,  
2 No Project with Pressure Testing, onshore processing at  
3 the EOF, resumption of historic production, reinjection at  
4 Platform Holly, and two different transportation  
5 alternatives that look at trucking or pipeline instead of  
6 using the barge.

7           It also looks at alternatives considered and  
8 discarded, which consist of looking at possible drilling  
9 at the EOF or use of Platform Holly for disposal of  
10 produced water, Platform Holly for drilling. And then  
11 also a condensed production schedule. The No Project  
12 Alternative does not fully assess abandonment, that will  
13 be done at future permits and future CEQA review. The  
14 No Project with Pressure Testing looks at issues  
15 associated with pressure build-up in the Ellwood Field and  
16 the potential to have leaks caused by shutting in the  
17 wells and old improperly plugged wells failing.

18           Onshore separation at EOF is identified as an  
19 environmentally-superior alternative because you move  
20 processing out of the surf-zone. It's the primary reason.  
21 The transportation sub-alternatives, again, because of the  
22 expiration, the pending expiration, 2013 to 2015 of the  
23 EMT lease of the area, we've looked at trucking to Rincon  
24 or pipeline to Las Flores Canyon in Gaviota, they're both  
25 superior to barging, environmentally speaking, and the



1 pipeline is the environmentally-superior transport option.

2           So again, we are here to hear public comments on  
3 EIR related issues and adequacy.

4           MR. GILLIES: Thanks, Dan.

5           Do you have any questions? Okay.

6           How about you, David?

7           Then we will go ahead and open it up to public  
8 testimony. And, Michael, if you want to state --

9           MR. GIRA: That mic doesn't work

10          MR. GILLIES: Well, what it is, if you speak,  
11 because that's the recorder --

12          MR. GIRA: The little one.

13          MR. GILLIES: The little one.

14          Please state your name.

15          MR. LYONS: My name is Michael Lyons, L-y-o-n-s,  
16 and I'm here today on behalf of Get Oil Out, also known as  
17 G.O.O.

18          G.O.O. would like to thank Eric Gillies and the  
19 State Lands Commission staff for holding the meeting in  
20 Goleta to allow organizations like G.O.O. and individuals  
21 to testify in person.

22          G.O.O. would like to make a request for a  
23 two-week continuance for written comments or if -- I'm not  
24 sure if that has already been done -- if that has been  
25 done, we'd like to thank the staff for agreeing to that

1 continuance.

2 G.O.O. has been reviewing the Draft EIR on lease  
3 421 and has a few comments to make at this time, but we'll  
4 be submitting more detailed written comments later.

5 Before I make my specific comments, I would like  
6 to express G.O.O.'s disappointment that although the Draft  
7 EIR reflects the statements made by Carla Frisk on our  
8 behalf at the scoping hearing, it does not reference the  
9 fact that G.O.O. also submitted written comments on the  
10 Notice of Preparation. These comments were emailed and  
11 mailed to the State Lands Commission staff on June 27th,  
12 2005. I am, therefore, submitting another copy of those  
13 written comments today.

14 There are two obvious areas of concern  
15 surrounding the recommissioning of lease 421: The dangers  
16 of drilling and processing this oil right in the surf-zone  
17 and the transportation of that oil. Many concerns related  
18 to this issue have been raised in the Ellwood Marine  
19 Terminal lease application final EIR. As you know, this  
20 project will be heard by your commission later this month.  
21 The project objective is too narrowly written. Merely a  
22 summary of the project's description rather than a  
23 statement of the underlying purpose of the project, in  
24 other words, to provide a supply of energy.

25 The document states a 12-year life of the project

1 beginning in 2007. Since this project will not begin in  
2 2007, all the assumptions related to the transportation of  
3 the project must be revised given that the Ellwood Marine  
4 Terminal will cease to operate by 2013, if not sooner. In  
5 fact, the State Lands Commission action on the Ellwood  
6 Marine Terminal lease later this month could change the  
7 entire transportation scenario.

8           The Draft EIR discusses the repressurization of  
9 the oil field and the possibility of monitoring that  
10 process as part of the No Project Alternative. The EIR  
11 should also discuss mechanisms that would be used today to  
12 deal with this issue had the wells been decommissioned and  
13 abandoned in 1994 after the pipeline break. The  
14 descriptions of most of the other oil and gas projects  
15 need to be updated, especially the discussion on the Full  
16 Field development project. That description should also  
17 mention that the Draft EIR on that project is also  
18 reviewing an alternative offshore pipeline route.

19           Finally, the discussion on the Ellwood Marine  
20 Terminal indicates that the lease with UCSB will not  
21 likely be renewed; in fact, the lease with UCSB cannot be  
22 renewed as a condition of approval placed on the  
23 university's housing project on the north parcel by the  
24 Coastal Commission.

25           As I stated earlier, G.O.O. will be submitting

1 more detailed written comments on this document prior to  
2 the deadline. And that's pretty much it as far as our  
3 comments. And I'd like to make one more comment, that  
4 G.O.O. now has a website, GetOilOut.org, so if you want to  
5 check that out, that would be great, anybody. And thank  
6 you again for this opportunity to comment

7 MR. GILLIES: Thank you, Michael.

8 Did you have anything more to say, David? Okay.

9 Thank you for coming and presenting your comments  
10 to us. We're going to take these comments and all  
11 comments received at the three o'clock meeting and then  
12 whatever comments we receive on the document by the end of  
13 the comment period and have those comments addressed in  
14 the final environmental document, which would probably be  
15 out to the public, probably we're looking at January,  
16 February of 2008. And then we're looking at going to the  
17 commission sometime in the spring of 2008.

18 So with that, if there's no more questions or  
19 comments, we'll adjourn the meeting. Thank you.

20 (Thereupon, the October 16, 2007,

21 PRC 421 Recommissioning Project

22 public hearing

23 was adjourned at 6:27 p.m.)

24 --oOo--

25 \*\*\*\*\*

CERTIFICATE OF REPORTER

I, RONALD J. PETERS, a Certified Shorthand Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing State of California, State Lands Commission, PRC 421 Recommissioning Project Public Hearing was recorded by my staff, thereafter transcribed into typewriting, and personally proofread by me.

I further certify that I am not of counsel or attorney for any of the parties in the matter, nor in any way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of October, 2007.

Ronald J. Peters

Certified Shorthand Reporter

License Number 2780

Certified Manager of Reporting Services

Registered Professional Reporter.

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